

Committee on Ways and Means

H.R. 2896, the “American Jobs Creation Act of 2003” *Manufacturing and Small Business Tax Cuts*

- The *American Jobs Creation Act* supports American business with over \$100 billion in tax reductions.
- Over 2/3 of the tax reductions in the bill favor domestic producers.
- Rate cut for all U.S. manufacturing and production income (35-32 percent). (\$61.1 billion)
- Reduce to 32 percent corporate rate for small and medium sized businesses with taxable income of less than \$20 million. (\$16.4 billion)
- Extends Section 179 expensing for two years, through December 31, 2007. (\$2 billion)
- Small businesses and farmers will benefit from expansions of S corporation rules, pro-farmer AMT, and reinvestment and co-op provisions. (\$1.3 billion)
- The Alternative Minimum Tax (dubbed “the Anti-Manufacturing Tax” by the National Association of Manufacturers) will be reduced because of provisions eliminating the tax for small firms under \$20 million in income and allowing any net operating losses to reduce AMT liability. (\$5.7 billion)